

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

**Gregory E. & Shirlee R. Cagle,**  
Appellant,

**v.**

**Dallas County Board of Review,**  
Appellee.

**ORDER**

**Docket No. 14-25-0303**  
**Parcel No. 11-02-109-006**

On December 3, 2014, the above-captioned appeal came on for hearing before the Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2) and Iowa Administrative Code rules 701-71.21(1) et al. Gregory E. and Shirlee R. Cagle were self-represented. Dallas County Attorney Wayne Reisetter is counsel for the Board of Review. County Assessor Steve Helm represented it at hearing. The Appeal Board having reviewed the record, heard the testimony, and being fully advised finds:

***Findings of Fact***

Gregory E. and Shirlee R. Cagle are the owners of a residentially classified property located at 1707 Ash Street, Dallas Center, Iowa. It is a one-story property with 1664 square feet of living area built in 1900. There is no basement. It has a two-car detached garage built in 1970, an open porch, and an enclosed porch. The site is 0.20 acres.

The 2014 assessment was \$84,750, allocated as \$26,400 in land value and \$58,350 in improvement value. The Cagles protested the assessment to the Board of Review on the ground that the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(1)(b). They claimed the correct value is \$60,000, allocated as \$26,000 in land value and

\$34,000 in improvement value. The Board of Review denied the claim. The Cagles then appealed to this Board.

Gregory Cagle testified that they purchased the property in June 2013 for \$60,000. After the purchase, Cagle submitted an appraisal completed by Jeremy Anania of Anania Appraisal Services, West Des Moines, Iowa (Exhibit 1) to the Dallas County Assessor's Office and requested a reduction in the assessment to the sale price. He also offered to allow the Assessor's Office to inspect the property. In October 2013, an appraiser from the Assessor's Office inspected the subject property, and a new assessment of \$84,750 was set for January 1, 2014. Cagle received the notice of new assessment in March 2014 and met with Dallas County Assessor Steve Helm on April 3, 2014. Because Helm was without jurisdiction on this date to adjust the assessment, he advised Cagle to appeal to the Board of Review.

Cagle submitted Anania's appraisal to the Board of Review. Anania developed only the sales comparison approach to value and determined an opinion of value of \$72,000. Despite Anania's appraisal, Cagle believes the sale price is the best indicator of value and seeks to have the assessment reduced to \$60,000.

Cagle testified that the subject property was a "for sale by owner" (FSBO) and that it was purchased from an estate. However, he does not believe either of these factors affected the sale price. For these reasons, Cagle asserts the purchase of his property was a "normal" transaction and the sale price is the best reflection of the market value.

The Board of Review submitted evidence that Sales 1 and 2 in Anania's appraisal sold as the result of a foreclosure. There is no evidence that Anania considered either of these sales as distressed sales and he did not make any adjustments for this distorting factor. Anania included one other adjusted sale, which appears to be a normal transaction, located at 402 Kellogg Avenue, Dallas Center.

This property had an adjusted sale price of \$113,890, which does not support the Cagles' assertion their property is over-assessed.

The Board of Review also submitted six sales that occurred in Dallas Center between December 2012 and September 2014. (Exhibit F). After adjustments for differences, these sales ranged in value from roughly \$88,500 to \$144,500. Helm testified that the subject property is difficult to value because of the limited market. He noted that in the last two years, there has only been one arm's length sale in Dallas Center for less than \$90,000. When questioned by this Board about the lack of sales, Helm testified he was not sure exactly why, but that only about 10-15 homes a year are sold.

At the hearing, Cagle questioned whether or not these sales are comparable to the subject. Although each varies to some degree in size, style, age, and other amenities, we are not convinced the properties are so dissimilar so as to disqualify their use in a sales comparison approach. Further, the Board of Review made reasonable adjustments to account for any differences.

This Board also asked Helm if the assessment reflects the condition of the property as described by Cagle. Helm stated his office inspected the property in October 2013 and as a result the assessment was reduced from \$113,200 to the \$84,750 to reflect the current condition of the property. We note the assessment reflects both functional and physical obsolescence.

### ***Conclusion of Law***

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all

of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct.

§ 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In an appeal alleging the property is assessed for more than the value authorized by law under section 441.37(1)(a)(1)(b), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions reflecting market value are to be considered in arriving at market value. § 441.21(1)(b). Conversely, sales of property in abnormal transactions not reflecting market value shall not be taken into account. *Id.*

Whether other property is sufficiently similar and its sale sufficiently normal to be considered on the question of value is left to the sound discretion of the trial court.

*Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 783 (Iowa 2009) (citing *Bartlett & Co. Grain*, 253 N.W.2d 86, 94 (Iowa 1977)). Similar does not mean identical, however, and property can still be considered similar even though each possesses points of difference. *Id.* (citing *Redfield v. Iowa State Highway Comm'n*, 99 N.W.2d 413, 418 (1959)). Adjustments should be made to account for differences between the comparable property and the subject property to the extent the differences would impact the subject property's market value. *Soifer*, 759 N.W.2d at 783.

Cagle also provided an appraisal completed by Jeremy Anania. We find that Anania did not use proper appraiser methodology and relied on two sales that were not normal transactions having


both been sold as the result of foreclosure. He did not acknowledge this in his report nor did he adjust for the distorting factor. The remaining sale Anania considered does not support the Cagles' claim and demonstrates the assessment is in line with market data. In total, we find that Anania's value conclusion does not accurately reflect the subject's fair market value.

Despite the insufficiency of the appraisal, Cagle asserts the subject property's \$60,000 sale price is the correct market value. However, the record indicates the purchase was from an estate and sold by owner. Neither of these factors alone makes the sale *per se* abnormal under section 441.21. In considering these facts along with the other non-foreclosure sales of comparable properties in the record, however, we find that the subject's purchase price does not reflect its market value and we give it no consideration. Further, we note that the sales price alone does not conclusively establish the subject's market value. *Riley v. Iowa City Bd. of Review*, 549 N.W.2d 289 (Iowa 1996). Rather, this Board must determine what constitutes the most reliable and persuasive evidence of the property's market value. *Id.*

We find that the Cagles have not shown by a preponderance of the evidence that their property is assessed for more than authorized by law.

THE APPEAL BOARD ORDERS the 2014 assessment of Gregory and Shirlee Cagle's property located at 1707 Ash Street, Dallas Center, Iowa, set by the Dallas County Board of Review, is affirmed.

Dated this 30th day of December, 2014.



Karen Oberman, Presiding Officer



Jacqueline Rypma, Board Member

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